Adopted by Resolution on March 6, 2018, as the Minutes of the special meeting of the City Council held on February 12, 2018, at Minami Community Center, 600 W. Enos Drive.

City of Santa Maria
Council Workshop
Held on February 12, 2018

February 2018

Management Partners

Table of Contents

Workshop Report **1**
Workshop Overview 2
Workshop Objectives 3
Workshop Agenda 3
Council Norms 3
Council/City Manager/Staff Communications 4
Governing Once Council Districts Are In Place 4
Accomplishments 6
What Helped the City Be Successful With These Accomplishments 6
Financial Outlook 7
Maintaining Reserves 8
Department Head Presentations 8
Top Priorities 9
Tier 1 Priorities 9
Tier 2 Priorities 9
Other Items 9
Closing Comments 10
Next Steps 11
Attachment A – Key Department Projects and Priorities **12**
Attachment B – PowerPoint Presentation **15**

Workshop Report

The City of Santa Maria held a City Council workshop on February 12, 2018 at the Minami Community Center in Santa Maria from 9:00 a.m. to 2:30 p.m. The workshop provided an opportunity for City Councilmembers to discuss and agree upon Council norms, develop a consensus on priorities for the next budget cycle, receive updates on major department proejcts, discuss the City's financial outlook and strengthen teamwork.

Jan Perkins, Senior Partner with Management Partners, facilitated the workshop. All members of the City Council, as well as the City Manager and City Attorney, attended the entire workshop. Executive staff joined the group late morning for discussion of priorities.

The Tier 1 and Tier 2 priorities identified by the Council were:

Tier 1:

- Pursue economic development and higher paying jobs.
- Make progress in developing the downtown and implementing the Downtown Specific Plan.
- Plan and develop the South Broadway Area.

Tier 2:

- Reduce youth and gang violence.
- Develop an annexation strategy to provide land for economic development, housing, medical facilities and educational institutions.
- Advocate for Vandenberg Airforce's expansion of missle program to aid Santa Maria's economic development.

The Council also decided to adopt a policy statement regarding how its intention to continue its practice of governing with a citywide perspective following the shift to elections of councilmembers by council districts.

Workshop Overview

The City Council and executive team participated in the workshop.

Members of City Council

Mayor
Alice Patino

Mayor Pro Tempore
Etta Waterfield

Council Member
Jack Boysen

Council Member
Michael Moats MD

Council Member
Mike Cordero

Executive Management Team

- Jason Stilwell, City Manager
- Patrick Wiemiller, Assistant City Manager
- Gilbert Trujillo, City Attorney
- Jayne Anderson, Director of Human Resources and Records
- Mary Harvey, Finance Director
- Chuen Ng, Community Development Director
- Leonard Champion, Fire Chief
- Mary Housel, City Librarian
- Phil Hansen, Police Chief
- Steven Kahn, Public Works Director
- Alex Posada, Recreation and Parks Director
- Shad Springer, Utilities Director

Workshop Preparation. In preparation for the workshop, Jan Perkins conducted individual interviews with each member of the Council, met with the executive team via video conference, and prepared various workshop materials. Staff provided a status update on the priorities adopted by the Council in 2016.

Workshop Objectives

- Agreement on Council norms, including norms related to the new council district system.
- Understanding of the City's financial outlook.
- Understanding of major Citywide and departmental projects and issues.
- Council consensus on priorities for the next budget cycle.

Workshop Agenda

1. Welcome and introductions
2. Public comments
3. Review workshop agenda
4. Discussion of Council norms and other issues
5. Review recent city accomplishments
6. Review financial outlook
7. Discuss and determine priorities for the next budget cycle
8. Discussion of priorities
9. Wrap up and next steps

Workshop Ground Rules. At the start of the workshop, the facilitator suggested several ground rules to help the group have a successful workshop.

- Listen to understand
- Assume good intent
- Stay focused
- Seek consensus
- Speak up if we need course correction

Council Norms

The Council confirmed its norms developed at the 2016 workshop. These are:

For Council/staff relationships:

- Be respectful and agree to disagree at times.
- Foster two-way communications.

- Staff to provide all viable alternatives and information to the Council.

For Councilmember relationships:

- Be respectful and agree to disagree at times.
- Respect that we all want to effectuate positive change.
- Foster communication and dialogue.
- Support decisions once made.

Council/City Manager/Staff Communications

The Council and City Manager also discussed Council/Manager/staff communications. Since the City Manager is new, it was a good opportunity to establish protocols for this. The City Manager referenced an article provided to the Council in advance entitled, "Why Work Through the City Manager: Six Good Reasons," by Ken Hampton.

The City Manager stated that his goal is to give plenty of information so the Council is current on issues and so they are well informed. The Council and City Manager discussed protocols for communicating with staff and/or through the City Manager.

The City Manager expressed his preference that the Council relay information to him and he would give it to department heads to handle. However, if something is time-sensitive or "trivial" it can go directly to the department head, with a copy to the City Manager.

The City Manager's monthly one-on-one meetings with each Councilmember is also a good opportunity for Councilmembers to bring up issues with him.

Governing Once Council Districts Are In Place

The Council discussed the upcoming shift to elections of Councilmembers by district, which will be partially in place in November 2018 and fully in place in 2020.

The conclusion reached by the Council was that governing the City of Santa Maria should not change. All members of Council will continue to serve all of the people of Santa Maria.

The principles established were as follows:

- The Council will govern on an at-large basis, considering the needs and interests of the entire community. The Council wishes to remain united in its service to the community.
- Any member of Councilmember will help anyone in the community who calls or contacts them. Customer service is the priority.
- Professional management in a strong city manager form of government will continue, with all of the best management practices that we expect now. Resources will be allocated based on needs and expertise.
- Current practices regarding invitations to members of Council to events and activities, and appointments to committees and various bodies will remain in effect.

Discussions leading up to these conclusions included:

- Constituents may wonder whom to contact once districts are in place and we should each help whomever calls; this is good customer service.
- Someone could get elected with a different agenda than people in the district.
- We want to govern at large, as we are now.
- The City Manager can always be contacted to help with an issue, just as he does now.
- If we have conflicting issues between districts, we need to discuss them, as we do now, and come out with a unified statement.
- We need to continue to allocate resources based on needs.
- The city is run as a whole and needs to continue that way (e.g. potholes fixed; street improvements based on priorities).
- "I'm your councilperson regardless of what district you are in": customer service orientation.
- Remember we are a strong city manager type government and professional managers establish where resources are needed.

Accomplishments

The Council reviewed the list of key accomplishments that had been generated through Councilmember interviews with facilitator Jan Perkins. The list of accomplishments is provided in Table 1 below.

Deleted: included:

Table 1. Key Accomplishments

Key Accomplishments
Mayor's Task Force on Youth Violence appointed
Making progress with the water system
New housing being built
FedEx building large distribution area in the city
Police Department has increased number and quality of police officers
New police building (debt free)
Acquisition of State water and progressing on water issues
Weathering financial storm well without layoffs; city does good job with the budget
Attracting new businesses (development of Enos Ranch project with retail – Lowe's, Dick's Sporting Goods); sparking interest in other parts of town
$2M grant from State for addressing homeless services for street homeless; County-wide regional homelessness program
Kept the city relatively safe; people are feeling safer
Serve Santa Maria underway for cleanup of parks and residences
Keeping up our infrastructure
Activities in Parks and Rec Department, such as Safe and Strong for youth in the parks
H2A housing is better now with reduced calls for emergency service
Park improvements
Made a decision on districting and are implementing it
Enhanced fire equipment (e.g., upgraded breathing devices)
Opening a new landfill
Good working relationships on the Council and between Council and staff
Effective relationships between departments and managers
Transitioned smoothly to a new city manager

What Helped the City Be Successful With These Accomplishments

The Council then commented on what helped the City be successful in these accomplishments. Comments included:

- City Manager and department heads let Council know the situation we are in and advise the Council well
- We have a strong city council
- Strong focus of Council on security, safety and economic development
- Opportunity + preparedness = success

- We as a City Council build on past work and improve on all we do
- We see issues and we address them
- We have a constituent base that is very supportive

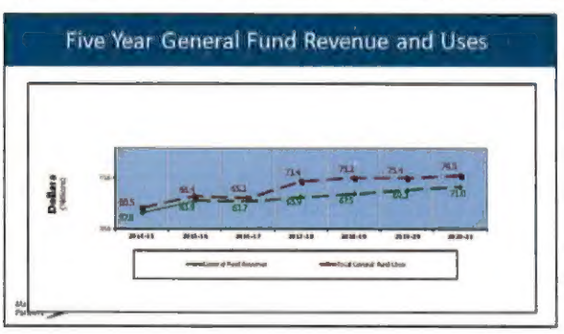
A concern was expressed about employee morale. A comment was also made that it will be important to educate employees about rising PERS costs.

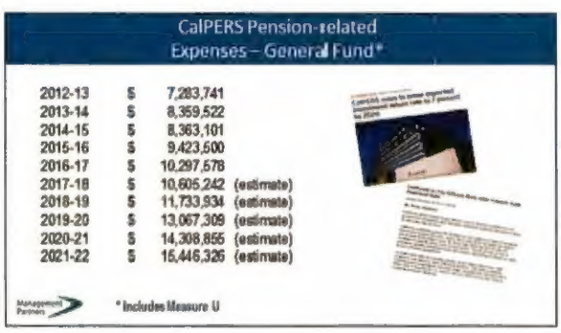
Financial Outlook

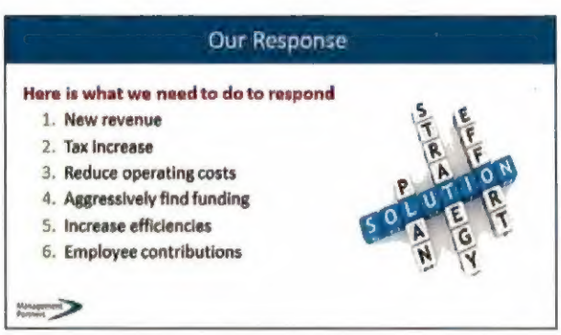
The City Manager presented several slides showing a financial outlook, as follow. He made the following comments and the Council discussed these issues.

- CalPERS costs are rising sharply. Santa Maria is not alone in these increasing costs.
- There are other risks that require sufficient reserves.
- Cost reductions will be needed.
- New revenue is needed.

Councilmembers commented on the need to seize economic development opportunitites and build on current economic development successes.







Maintaining Reserves

The Council discussed the need to maintain adequate reserves to address emergencies and unknown, required costs that arise. City reserves are approximately $2.8 million in the LEAF fund and $19 million in other reserve funds.

Department Head Presentations

Department heads each gave a brief presentation on key projects and issues their departments are addressing in the coming year. Attachment A contains the summary presented.

Top Priorities

An ***over-arching principle*** was established pertaining to the City's finances, as follows.

Maintain financial health, balanced budget, strong reserves and address rising pension costs.

Three Tier 1 and three Tier 2 priorities were established through dot-voting by the City Council. They are:

Tier 1 Priorities

- Pursue economic development and higher paying jobs.
- Make progress in developing the downtown and implementing the Downtown Specific Plan.
- Plan and develop the South Broadway Area.

Tier 2 Priorities

- Reduce youth and gang violence.
- Develop an annexation strategy to provide land for economic development, housing, medical facilities and educational institutions.
- Advocate for Vandenberg Airforce's expansion of missle program to aid Santa Maria's economic development.

Other Items

Other items on the list of potential priorities considered by the Council during dot voting are listed below. Some of these are in the City's work program and will continue to be pursued. Those are so noted.

Underway and Continuing

- Increase availability of water supplies
- Pursue a four-year university
- Identify what could make Santa Maria a "destination" community to attract visitors
- Reduce traffic accidents
- Address homelessness
- Maintain neighborhood conditions with adoption of regulations pertaining to new state law allowing accessory dwelling units
- Complete bike lane project

- Ensure we can continue to recruit and retain talent and maintain high morale

Items Either Not Funded and/or No Council Direction to Pursue

- Increase our focus on senior citizens
- Provide trolleys for students to get from schools to tutors
- Retrofit the old library
- Increase our efforts to increase affordable housing
- Establish a "wet" homeless shelter for non-sober homeless individuals

Chamber of Commerce Suggestions

The Chamber of Commerce presented recommendations for economic development, focusing on the following items.

- Continued development process improvements
- Update project/infrastructure study for impact fees
- Focus on downtown
- Annexation for future inventory
- General plan update

Closing Comments

Each person made a comment about something they got out of spending the day together. Highlights included:

- Good to hear everyone's ideas and Councilmembers' exchanges
- Broadway & Main is still is center of city
- Good to hear different ideas; we have a cohesive Council
- Downtown will be main attractor for us
- Will continue to focus on South Broadway; have my marching orders
- Like having goals; suggest mid-term on review of what we're working on
- City Council is friendly and don't take things out on staff; consistent and steady
- Council works well with our department heads and would like to hear from them how we (Council) could help them
- Priorities are forward thinking, and that means our operations are well managed
- Synergy of what departments are doing and the Council coming together; eye opening to see Council priorities; glad to hear the

Council will continue to focus on the whole City after district elections

- Glad to hear that Council is separating how elected from how governed under new district system
- Interesting to see the priorities of the other departments; grateful to Council for support of police department
- Appreciate that we all get along; liked the discussion of policy statement on district elections
- Most important that we establish boundaries for district elections governing the entire city; diversity and complementary of our departments; the total is more than the sum of the parts
- Department heads all have their own wants and needs, and we understand financial constraints; public safety and economic development are key priorities; this was a positive endeavor
- Wonderful to have the chance to get together, we have consistency of direction, modifying as needed

Next Steps

Next steps following the workshop are listed below.

- Council to adopt a policy statement regarding continuing to govern at large once elections by district are in place.
- Council to formally adopt the Tier 1 and 2 priorities.
- City Manager to work with staff in preparing a budget that reflects the Council's priorities and discussions during the workshop.

Attachment A – Key Department Projects and Priorities

Overall Perspective: Santa Maria will have significant financial challenges with major increases to our pension rates, as is the case with other municipalities. The community and organization has important service delivery needs, we must recruit and retain top talent, and we must ensure effective daily operations for the well-being of Santa Maria. To address our financial challenges, we must work collaboratively with community on taxes and with our labor groups on costs. We must work across departments as a team, in concert with the Council and community.

Key Themes and Issues Identified by Department Heads:

- Financial capacity and cost increases
- Continuation of Measure U
- Developing our downtown
- Attracting business and well-paying jobs (economic development)
- Ensuring effective and efficient day to day operations
- Reducing homelessness
- Implementing district elections
- Implementing the Mayor's Task Force on Youth Violence

Issues/Priorities by Department

Finance:

- CalPERS cost increases are escalating at a rapid rate, along with the costs of workers' compensation and liability insurance
- Challenge to retain and attract qualified personnel for multiple reasons
- Must maintain our technology for efficient operations
- Need to address a $6.7M shortfall in fleet replacement fund; $4.7M is attributable to General Fund.

Public Works:

- Focus is to maintain and improve infrastructure, improve efficiency and reduce costs
- Five-year pavement management system
- Implement road projects
- Implement development review – economy is booming – to get complete, responsive comments
- Update the traffic control system
- Improve the transit system (RFP for new operator); short range transit plan improvements
- Make fleet system improvements
- Participate in the downtown specific plan and streetscape, to improve the downtown for businesses

Recreation and Parks

- Participate in Mayor's Task Force on Youth Violence
- Create an arts master plan (including ordinance for developer fees and guidelines)
- Measure U renewal – sales tax expires 2020; research being done to take to the voters 2018
- Address the impacts of retirements, with long term employees leaving
- Develop Los Flores Ranch Park

Police Department:

- Part of Mayor's Task Force on Youth Violence
- Develop a range at Los Flores Ranch Park
- Address traffic safety as a major concern (multiple hit and runs)
- Need to increase number of police officers working basic traffic and crime enforcement
- Address information technology needs of the Police Department through additional capacity in City's IT staff

Community Development:

- Serve as a part in downtown revitalization and streetscape improvements
- Work with Chamber of Commerce for economic development
- Mobilize for General Plan update, which will start within next two years
- Need to explore financing options for development
- Improve the efficiency of development review (requires good technology to have an easy way for applicants to check on line)
- Ensure we are meeting State statutes

Utilities:

- Plan and implement operational modifications to the City's refuse collection to meet new regulatory requirements for organics
- Monitor potential capital costs that may be required with renewal of wastewater treatment plant permits
- Implement additional testing to meet new water supply requirements
- Develop plan and implementation strategy to meet storm water quality requirements, including trash amendments
- Design and construct Phase I of the new Integrated Waste Management Facility at Los Flores Ranch, including support buildings, roads, water well, and related infrastructure
- Design and construct facilities at the existing landfill to support the transfer of waste to new landfill at Los Flores Ranch
- Develop operational plan regarding impact to budget, operations, fleet, staffing, etc. to accommodate two solid waste sites for period of time as the existing site nears closure and the Los Flores site opens
- Plan for long term water supply reliability (still an issue with continuing drought)

- Setting rates at appropriate levels through the Prop 218 process to maintain the viability of the City's Enterprise Funds

Library:

- Resource for Mayor's Task Force on Youth Violence
- Homeless/quality of life issues impacting the library they see homeless; need alternative services
- Need for improvements to library and services (e.g., overall facility, more family spaces, library open Sunday afternoon)
- Partner with Santa Maria school district for library services and explore staff resources and partnerships in branch libraries
- Explore ways that the library could be part of a cultural corridor in the downtown plan along with the Discovery Museum, Youth Center and other improvements
- Provide and plan for increased training for part-time staff

Fire Department:

- Continuation of Measure U funding for Fire Station 5 (an increase in this funding would trigger an additional response unit request for our central station to help with added call volume)
- Evaluate our mutual aid response for Type 3 assignments. Currently, no funding to replace our 19-year old piece of equipment.
- Continue public outreach efforts
- Provide fire prevention and education of all 3rd grade school children in the Bonita School District.
- Participate in more community events (i.e. Downtown Friday's, Concerts in the Park, High School sporting events, etc.)
- Continue developing a peer support group for post-traumatic stress disorder (PTSD) in the fire service

Human Resources:

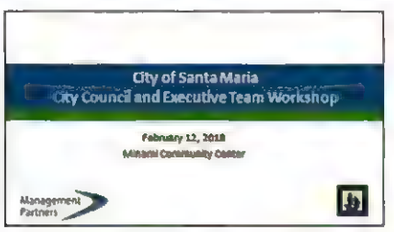
- Participate as a team member in addressing increasing pension and workers' compensation costs
- Focus strategies on attraction and retention of staff
- Continue succession planning and enhanced staff training
- Address various information technology needs

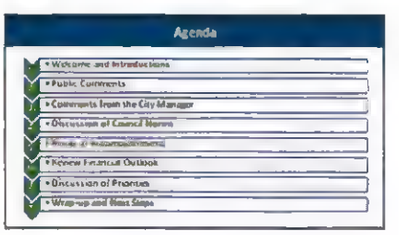
City Attorney:

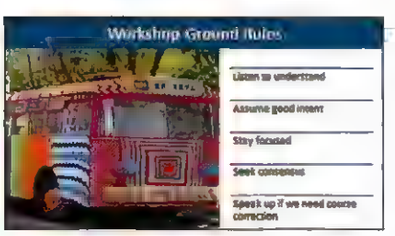
- Major areas of focus are providing advice regarding housing and homelessness; farm labor housing; affordable housing; short term rentals; recreational marijuana regulations.
- Maintaining legal and code enforcement services at present levels with increasing workloads and static resources.

Attachment B – PowerPoint Presentation

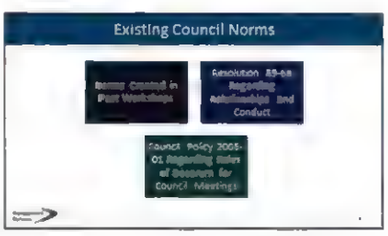
The following slides were presented during the workshop.

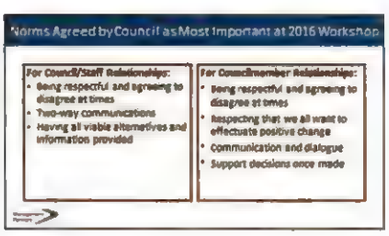


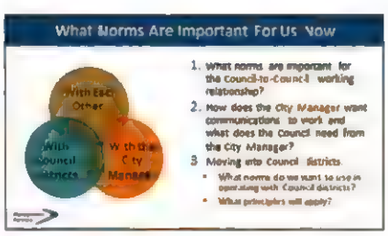


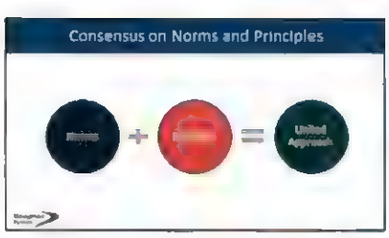


Discussion of Council Norms: Expectations of Behaviors
Opportunity to revisit expectations
Opportunity to discuss norms with new city manager
Consider protocols related to Council districts


Existing Council Norms
Norms Created in Past Workshops
Resolution 89-68 Regarding Relationships and Conduct
Council Policy 2005-01 Regarding Rules of Decorum for Council Meetings

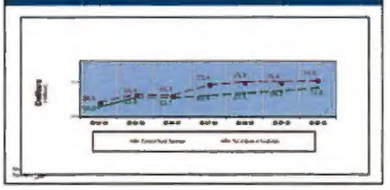

Norms Agreed by Council as Most Important at 2016 Workshop
For Council/Staff Relationships:
• Being respectful and agreeing to disagree at times
• Two-way communications
• Having all viable alternatives and information provided
For Councilmember Relationships:
• Being respectful and agreeing to disagree at times
• Respecting that we all want to effectuate positive change
• Communication and dialogue
• Support decisions once made


What Norms Are Important For Us Now
With Each Other
With Council Districts
With the City Manager
1. What norms are important for the Council-to-Council working relationship?
2. How does the City Manager want communications to work and what does the Council need from the City Manager?
3. Moving into Council districts
• What norms do we want to use in operating with Council districts?
• What principles will apply?


Consensus on Norms and Principles
United Approach

Financial Outlook
BUDGET

Five Year General Fund Revenue and Uses



CalPERS Pension-related Expenses – General Fund*

2012-13	$ 7,283,741	
2013-14	$ 8,358,822	
2014-15	$ 8,363,101	
2015-16	$ 9,423,500	
2016-17	$ 10,297,578	
2017-18	$ 10,805,242	(estimate)
2018-19	$ 11,733,934	(estimate)
2019-20	$ 13,057,309	(estimate)
2020-21	$ 14,304,855	(estimate)
2021-22	$ 15,448,326	(estimate)

* Includes Measure U

Discussion of Financial Issues

How to meet our financial obligations while taking care of our employees and maintaining our LEAF fund

Importance of maintaining our reserves

Santa Maria

Fiscal Challenges

- Steeply rising costs
- Other potential risks
- Santa Maria is not the only one

Here is what we are looking at

- Today: spending more than revenue
- Required service level reductions and continued use of reserves and vacancies

Our Response

Here is what we need to do to respond

1. New revenue
2. Tax increase
3. Reduce operating costs
4. Aggressively find funding
5. Increase efficiencies
6. Employee contributions

Why are we doing this?

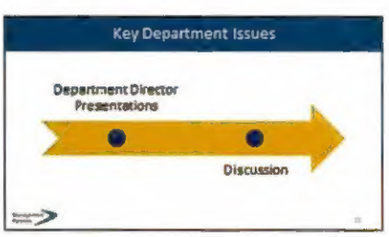
Why are we responding this way?

- ✓ Not a single solution to this fiscal challenge
- ✓ We value our employees
- ✓ We want to maintain services to the public
- ✓ We want to be able to afford to provide the benefits promised
- ✓ We want to be able to have funding for future employee needs

Highlights of City Accomplishments
Santa Maria
VALLEY

What Factors Contributed to These Successes?
SUCCESS

A Successful Santa Maria Requires.....
Strategy
Resources
Systems


Key Department Issues
Department Director Presentations
Discussion

Lunch
Santa Maria
All-America City

Discussion of Council Priorities
Review Priorities
Discussion

Council Consensus on Highest Priorities

- Dot voting to create Council direction on priorities
- Discussion and direction

Next Steps

Workshop Summary → Formal Council Adoption → City Manager's Next Steps

Wrap Up

Comments about today's discussions

Thank you!

Jan Perkins | Senior Partner

Management Partners

APPROVED:

March 6, 2018
Date

Jason Stilwell
Deputy City Clerk and ex officio Clerk of the City Council

Alice M. Patino
Mayor of the City of Santa Maria

ATTEST:

Rhonda M. Garietz, CMC
Chief Deputy City Clerk